

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 1201 – SB 1284**

April 5, 2011

**SUMMARY OF AMENDMENT (005703):** Expands the scope of the bill to include all products containing buprenorphine by replacing the language “Suboxone, Subutex and methadone” in the original bill with the language “buprenorphine-containing products and methadone”.

**CORRECTED FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue – \$6,000

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the corrected fiscal note.**

Assumptions applied to amendment:

- The proposed legislation would expand the scope of the Act to apply the same Certificate of Need (CON) process for clinics providing opiate addiction treatment using exclusively methadone to those using other buprenorphine-containing products.
- Under current law, physicians may get the Drug Enforcement Administration’s (DEA) approval to provide opiate substitution-base treatment using buprenorphine for up to 30 patients and up to 100 patients with an exception. There are 359 physicians in Tennessee with DEA approval.
- Physicians, who provide opiate treatment within the DEA 30/100 patient limit for buprenorphine, will be operating within their medical practice under the Board of Medical Examiners regulatory authority and will not be required to obtain a CON.
- Physicians, who exceed the 30/100 patient limit, will be required to open a free-standing facility, separate from their regular medical practice and would have to apply for a CON.
- Current free-standing facilities and new facilities will have to be licensed by the Department of Mental Health (DMH) and comply with the policies and monitoring requirements of the State Opioid Treatment Authority (SOTA).
- DMH estimates ten new facilities dispensing buprenorphine as part of opiate addiction treatment would obtain CONs and get licensed by DMH.
- According to the Health Services and Development Agency, any increased expenditures incurred to accommodate the increased number of CON applications will be offset by application fees.

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- The new facilities will pay the current \$600 licensing fee to DMH, resulting in a total increase in state revenue of \$6,000 (10 facilities x \$600).
- Based on the current active caseload of 6,600 for 12 licensed methadone clinics, each newly licensed facility will maintain an active clientele of 550 clients for a total caseload of 5,500.
- According to DMH, the increase in licensed facilities and monitoring compliance with policies and requirements of SOTA can be handled by existing staff. Any increase in expenditures can be accommodated within existing resources without an increased appropriation or reduced reversion.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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